

Emergency Medical Transport Fee: Recommended Process, Rates, and Uses

Prepared for: Public Safety Committee
October 23, 2008

Background

- Montgomery County Fire and Rescue Service (MCFRS) provides emergency medical services (EMS) and transport through a comprehensive delivery system.
- This system is comprised of career and volunteer personnel, basic and advanced life support first response, as well as basic and advanced life support transports.
- MCFRS staffs 24 basic life support (BLS) ambulances 24/7 and 3 BLS “Flex Units” 12 hours per day, 18 medic units, 18 Advance Life Support (ALS) engine companies, 15 engine companies, 15 truck companies, and 6 heavy rescue squads operating from strategically selected locations.
- MCFRS provides a response to all emergency calls for ambulance transportation within the County. Emergency response is also provided for surrounding jurisdictions under mutual aid agreements. MCFRS responds to approximately 70,000 EMS calls which result in approximately 58,000 transports per year.

Why the Fee is Needed

The demand for EMS response has been growing significantly for the past several years as the County has grown, especially in the Upcounty area. To respond to these service demands additional resources will be needed in the future for the following:

- Implementing four-person staffing.
- Opening new stations in the Upcounty area including Travilah, West Germantown, East Germantown, and Clarksburg.
- Implementing an Apparatus Management Plan that will replace, upgrade and modernize apparatus, and provide additional maintenance staff, supplies, and maintenance facilities.
- Implementing the State required Electronic Patient Care Reporting System (e-PCR). The Maryland Institute for Emergency Medical Services Systems previously announced it will discontinue paper reporting on December 31, 2008.
- Expanding the number of Officers consistent with supervisory and work hour requirements which will result in a reduction to overtime.
- Supporting Local Fire and Rescue Departments (LFRDs) by funding on-going station maintenance and other needs.

Potential Use of Resources

The proposed EMST Fee will provide a substantial portion of the resources needed for these enhancements including those improvements identified below:

	Year 1 (half yr.)	Year 2	Year 3	Year 4	Total
Electronic Patient Care Reporting System (ePCR)*	\$ 1,595,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,895,000
Operating Budget Impact - Staffing New Stations	\$ 3,017,430	\$ 6,327,000	\$ 6,585,000	\$ 9,284,000	\$ 25,213,430
4 Person Staffing Phases 3-7		\$ 4,101,000	\$ 8,494,094	\$ 13,200,086	\$ 25,795,179
LFRD Allocation**	\$ -	\$ 1,500,000	\$ 1,575,000	\$ 1,653,750	\$ 4,728,750
Apparatus Management Plan***		\$ 8,252,200	\$ 9,077,420	\$ 9,985,162	\$ 27,314,782
Total (Potential Use of Resources)	\$ 4,612,430	\$ 20,280,200	\$ 25,831,514	\$ 34,222,998	\$ 84,947,141
<p>* the ePCR was originally proposed by the County Executive to be funded with EMST fees. Given the delay in implementing this program the ePCR will, in all likelihood, be funded from tax supported resources. If the program approval is expedited or the procurement of the ePCR is delayed, it may be funded with EMST fees.</p>					
<p>** Illustrative Only (details pending further discussion with LFRDs and MCVFRA). Assumes a 5% increase per year.</p>					
<p>*** Assumes purchase of 5 pumpers, 2 aerials, and 10 EMS units with 10% annual inflation</p>					

Projected Net Revenues

	Year 1 (half yr.)	Year 2	Year 3	Year 4	TOTAL
Gross Revenue Collected	\$ 7,277,023	\$ 15,198,082	\$ 15,878,261	\$ 16,601,114	\$ 54,954,480
<i>Costs</i>					
Third Party Billing (5.5%)**	\$ 400,236	\$ 835,895	\$ 873,304	\$ 913,061	\$ 3,022,496
Community Outreach	\$ 200,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ 325,000
Initial Personnel Training	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 75,000
Manager Billing Services*	\$ 105,500	\$ 113,014	\$ 121,064	\$ 129,686	\$ 469,264
Quality Compliance (2)*	\$ -	\$ 138,055	\$ 147,888	\$ 158,422	\$ 444,365
IT Specialist - Hardware*	\$ 85,250	\$ 91,325	\$ 97,830	\$ 104,798	\$ 379,203
IT Specialist - Data Analyst*	\$ -	\$ 91,325	\$ 97,830	\$ 104,798	\$ 293,953
Office Service Coordinator*	\$ -	\$ 65,935	\$ 70,631	\$ 75,662	\$ 212,228
Subtotal Costs	\$ 790,986	\$ 1,410,549	\$ 1,483,547	\$ 1,536,427	\$ 5,221,509
Available Revenue	\$ 6,486,036	\$ 13,787,533	\$ 14,394,714	\$ 15,064,687	\$ 49,732,970
Note: Revenues are revised from earlier projections based on Page, Wofberg, and Wirth memo dated October 21, 2008					
* Assumes a 7% increase per year; Positions to implement the EMST fee are those requested by MCFRS. Ultimate approval of all positions are subject to further review based on operational need and available resources.					
** Revised from previous version to reflect most recent third party billing vendor costs in Fairfax County and staff oversight in using 10% in FY10-14 in previous versions					

MCFRS Emergency Medical Service Transport Fee - Revenues and Use of Potential Use of Resources					
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Apparatus Management Plan***		\$ 8,252,200	\$ 9,077,420	\$ 9,985,162	\$ 27,314,782
CFTD Reserves (For Electronic Patient Care Reporting System (EPCR) PC Modules and Licensing) *****	\$ 1,595,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,895,000
Total (Other Use of Resources)	\$ 4,612,430	\$ 20,280,200	\$ 25,831,514	\$ 34,222,998	\$ 84,947,141
Net Revenue (After other use of resources)	\$ 1,873,606	\$ (6,492,667)	\$ (11,436,800)	\$ (19,158,310)	\$ (35,214,171)
1 cent increase in Property Tax Rate =	\$ 16,100,000	\$ 16,695,700	\$ 16,979,527	\$ 17,488,913	\$ 67,264,140
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** Illustrative Only (details pending further discussion with LFRDs and MCVFRA). Assumes a 5% increase per year.					
*** Assumes purchase of 5 pumpers, 2 aeriels, and 10 EMS units with 10% annual inflation					
***** Does not include other potential FRS needs including additional Captains consistent with supervisory and work hour requirements.					
***** the ePCR was originally proposed by the County Executive to be funded with EMST fees. Given the delay in implementing this program the ePCR will, in all likelihood, be funded from tax supported resources. If the program approval is expedited or the procurement of the ePCR is delayed, it may be funded with EMST fees.					

Administration of the Fee

1. No person regardless of ability to pay will ever be refused EMS treatment or transport by MCFRS.
2. Each EMS transport will result in a bill for service being sent to the patient's insurance company or the patient depending on two factors: Is the patient a County resident? Is the patient insured?
3. Patients who reside within the County will not receive a bill for services whether they are insured or not. An uninsured patient may receive a request for information regarding insurance coverage.
4. Insured patients who do not reside within the county will receive a bill for any applicable co-pay or deductible. The patient may apply for a hardship waiver.
5. Uninsured patients who do not reside within the county and are not insured will receive a bill for the services. The patient may apply for a hardship waiver.
6. Requests for Waivers will be granted by the Fire Chief based on whether the patient's household income is within the federal poverty guidelines.
7. Billing and collection functions will be contracted to a third party that specializes in EMS billing. This will ensure prompt, accurate, and cost effective collection services especially with the rapidly changing requirements of the various insurance services.
8. MCFRS will work with the local hospitals to provide insurance information to the billing contractor.
9. This information will be transmitted electronically to the contracted billing vendor to facilitate collections.
10. The billing vendor will be paid a negotiated fee for services. The Executive's revenue projections assume that the vendor will receive 5.5% of collected revenues.

Impact on Volunteer Corporations

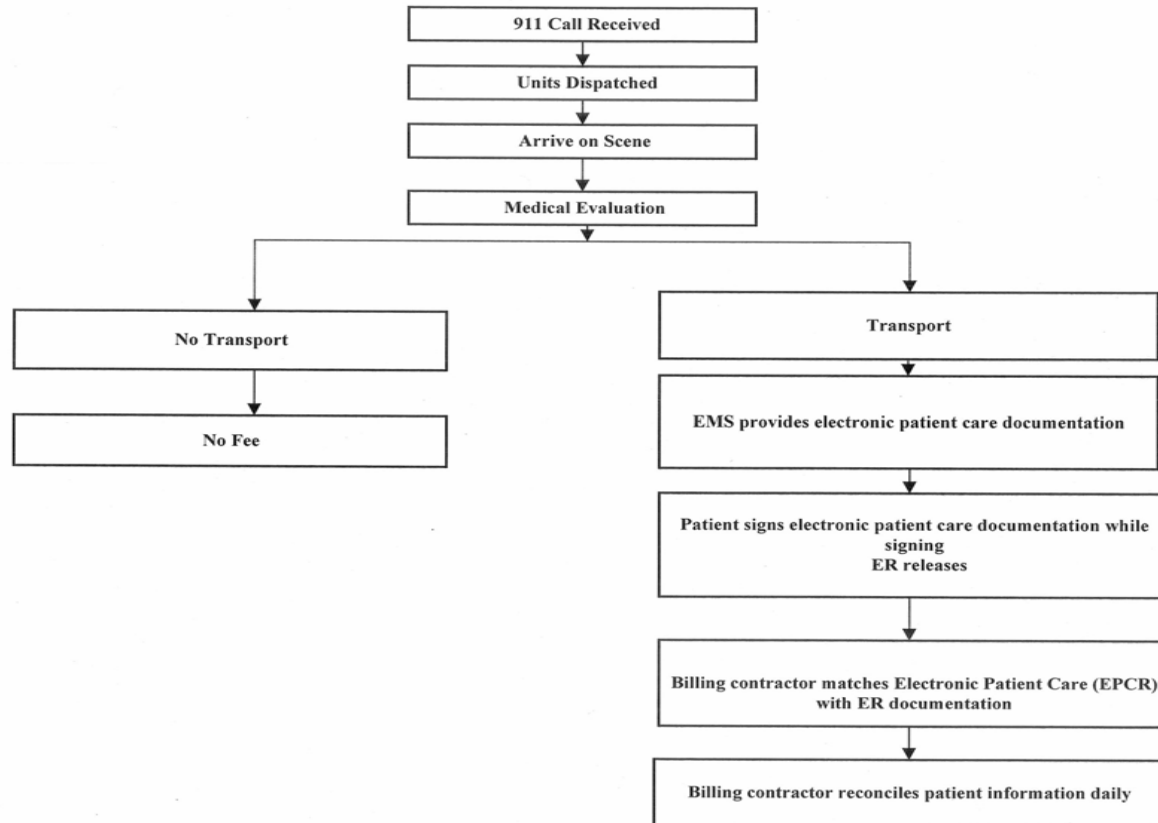
- Ongoing discussion and coordination with the MCVFRA and Local Fire and Rescue Departments (LFRDs)
- Despite repeated inquiries with several jurisdictions, we have found no evidence to support the claim that emergency calls for service or patient transports decline after the imposition of an EMST Fee.
- Also no evidence that EMST Fees impair the development capacity of volunteer fire corporations.
- We will continue to discuss with the LFRDs and the MCVFRA potential opportunities to share a portion of the EMST Fee revenues to provide resources to support their efforts to serve County residents.

Community Outreach

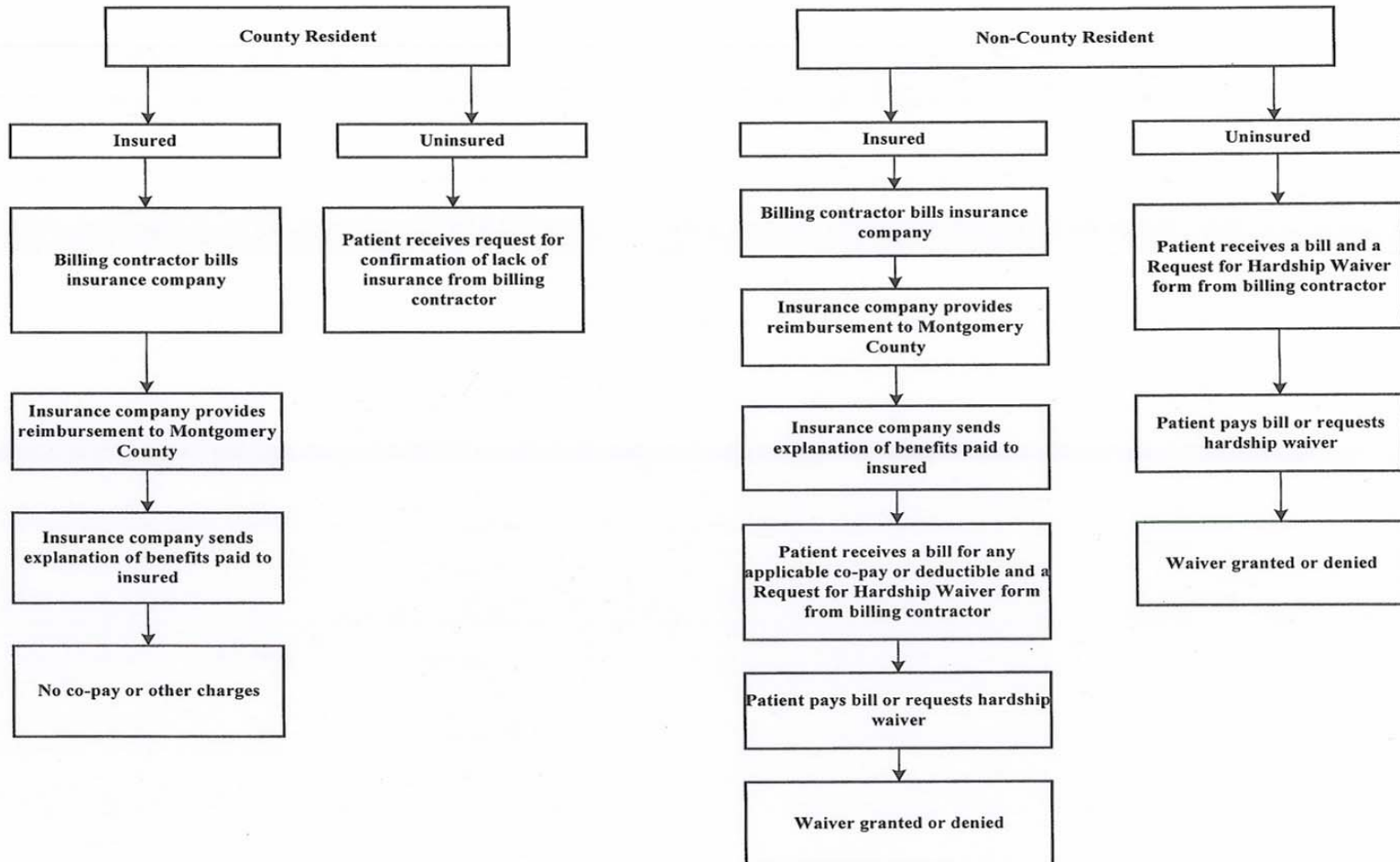
The Executive recommends that \$200,000 be appropriated for a community outreach campaign in the first year of implementation. The campaign would include:

- An informational mailer/card sent to all County households.
- Distribution of information through existing County and community email lists, blogs, and list serves.
- Radio and television public service announcements made available to the electronic media servicing the County.
- News releases and news events featuring information about the program.
- Information translated into Spanish, French, Chinese, Korean, Vietnamese, and other languages, as needed.
- Extensive use of County Cable Montgomery television and all the Public, Educational, and Government channels funded by the County.
- A speakers' bureau available to address community groups.
- Posters and brochures made available at all County events and on Ride One buses and through: Regional Service Centers; Public Libraries; Recreation facilities; senior centers; ESL classes; MCPS; Montgomery College; health care providers; hospitals and clinics; and other venues.
- Informational brochures will be made available to hospitals to provide to patients transported.
- Special outreach to the senior community and to the County's "New American" communities.

Emergency Medical Service Transport Fee Business Process



Emergency Medical Service Transport Fee: Resident vs. Non-Resident



Other Jurisdictions

- Many jurisdictions throughout the nation and regionally have successfully implemented EMST Fees
- We have not found any evidence that EMST Fees have led to a reduction in the number of 911 calls or transports or impaired the development capacity of volunteer corporations.
- The fee programs have consistently produced substantial resources to fund fire and rescue services

EMST Fees In Other Jurisdictions

	District of Columbia	Fairfax County	Arlington County	Alexandria City	Fairfax City
Annual Transports	82,410	45,000	9,500	7,500	3,860
Rates:					
Basic Life Support (BLS)	\$268	\$400	\$400	\$400	\$400
Advanced Life Support 1 (ALS 1)	\$471	\$500	\$500	\$500	\$500
Advanced Life Support 2 (ALS 2)	\$471	\$675	\$675	\$675	\$675
Flat Rate for all services					
Transport Per Mileage Charge	\$0.00	\$10.00	\$10.00	\$10.00	\$8.50
Agency Type	Career	Combined Volunteer and Career	Career	Career	Career
Year Program Established	1983	2005	1998	1968	2008
Amount Collected	\$14,168,292	\$10,955,015	\$2,997,788	\$1,483,390	Program began January 2008
	Montgomery County	Prince Georges County	Baltimore City	Anne Arundel County	Frederick County
Annual Transports	58,000	35,000	82,577	44,000	14,837
Rates:					
Basic Life Support (BLS)	\$350	\$400	\$350	n/a	\$360
Advanced Life Support 1 (ALS 1)	\$500	\$500	\$410	n/a	\$450
Advanced Life Support 2 (ALS 2)	\$700	\$750	\$410	n/a	\$525
Flat Rate for all services	n/a			\$500	
Transport Per Mileage Charge	\$7.50	\$5.00	n/a	n/a	\$8.00
Agency Type	Combined Volunteer and Career	Combined Volunteer and Career	Career	Combined Volunteer and Career	Combined Volunteer and Career
Year Program Established	Not yet authorized	1986	1989	2008	2003
Amount Collected	\$15 million annually (Projected)	\$1,500,000	\$11,399,085	Program authorized in May 2008	\$3,353,143

The Choices

1. Defer the necessary improvements until there are sufficient resources.
2. Increase the property tax:
 - a. +1 cent = \$16.1 million in FY09;
 - b. +1 cent = \$16.7 million in FY10
3. Reduce funding to other services and redirect to MCFRS priorities.
4. Implement an EMS Transport Fee that is funded through insurance reimbursements rather than from County taxpayers.